

**MINUTES OF REGULAR MEETING
OPEN SESSION
July 12 and 13, 2011
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Tuesday, July 12, 2011 a Regular Meeting of the Illinois Gaming Board ("Board") was held on the 3rd floor at 160 N. LaSalle, Chicago, Illinois.

On Tuesday, July 12, 2011 at approximately 9:30 A.M. the following Board members were present: Chairman Jaffe, Members Charles Gardner, Eugene Winkler and Joseph Moore. At 9:40 A.M. on Tuesday, July 12, 2011, Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Personnel matters;**
2. **Investigations concerning applicants and licensees; and**
3. **Closed session minutes.**

Member Winkler seconded the motion. The Board approved the motion unanimously by voice vote. The Board recessed at 11:45 A.M.

On Wednesday, July 13, 2011 the meeting reconvened at 11:40 A.M. Present were the following Board Members: Chairman Jaffe, Members Charles Gardner, Eugene Winkler, and Joseph Moore.

The Board remained in Closed Session until approximately 12:10 P.M. The Board recessed and went into open session at 1:09 P.M. Present were the following: Chairman Jaffe, Members: Charles Gardner, Eugene Winkler, and Joseph Moore.

APPROVAL OF MINUTES

Member Gardner moved that **the Board approve the open session minutes of its Regular Meeting of June 14, 2011.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Gardner moved that **the Board approve the open session minutes of its Special Meeting of June 29, 2011.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

CHAIRMAN'S REPORT/COMMEENTS

BOARD MEMBERS' COMMENTS –

Member Winkler commented on the annual update report of Hollywood Casino Joliet and Casino Queen. He stated that he has concerns with diversity levels in upper management at both casinos. He also stated that he was concerned with the diversity percentages of Casino Queen which were not reflected in its annual report.

Member Winkler also commended Chairman Jaffe on his statement that he read last month during open session addressing the issues of the gaming expansion legislation.

Chairman Jaffe thanked Member Winkler for his comments and went on to state that as a Board it's the Board's responsibility to protect the integrity of gaming in Illinois.

Chairman Jaffe went on to state that separate meetings will be held for Riverboat and Video.

ADMINISTRATOR'S REPORT –

The Administrator stated that approximately 10 years ago the Board issued a disciplinary complaint against Emerald Casino. Now finally, after the revocation of Emerald's license, the temporary gaming license was awarded to Midwest Gaming in Des Plaines, Illinois and the grand opening will take place on Monday, July 18, 2011.

OWNER LICENSEE ITEMS -

- Items for Initial Consideration –
 - MGM Mirage – Subsidiary Guarantor Issue

Paul Jenson appeared before the Board.

- Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah's Metropolis Casino – Sherry Lynne Wessel, Director of Human Resources, Level One

Ed Winkofsky appeared before the Board.

Based on staff's investigation and recommendation, Member Winkler moved that **the Board approve Sherry Lynne Wessel as an Occupational Licensee Level One in the position of Director of Human Resources for Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah's Metropolis Casino, in Metropolis, Illinois.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Hollywood Casino Aurora, Inc. – Rodney Phillipe, Vice President & General Counsel, Level One

Rodney Phillipe appeared before the Board.

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve Rodney Phillipe as an Occupational Licensee Level One in the position of Vice President and General Counsel for Hollywood Casino Aurora, Inc., in Aurora, Illinois.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

- Midwest Gaming & Entertainment, LLC/Clairvest Group – Approval of Organizational Structure Change

William Bettman appeared before the Board.

Based on a review of staff's investigation and recommendation, Member Gardner moved that **pursuant to Section 3000.230(d)(1), the Board approve the structural change to Clairvest Group to include the addition of CEP IV Chicago Holdco, LLC.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

- Midwest Gaming & Entertainment, LLC – Caryn Skurnick -Owner

John Janicik appeared before the Board.

Based on a review of staff's investigation and recommendation, Member Winkler moved **to approve the following individual, who is a "female" as defined under the Illinois Riverboat Gambling Act and intends to own interests in Midwest Gaming & Entertainment, LLC through High Plains Gaming, LLC.**

1. **Caryn Skurnick.**

Member Winkler further moved **pursuant to Section 3000.235 of the Adopted Rules to approve the corresponding redemption of interests in Midwest Gaming Holdings, LLC and the issuance of interests to High Plains Gaming, LLC consistent with the financing documents previously provided to the Board.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

John Janicik appeared before the Board.

- Midwest Gaming & Entertainment, LLC – Tim Drehkoff -Owner

Based on a review of staff's investigation and recommendation, Member Moore moved **to approve the following individual who intends to own interests in Midwest Gaming & Entertainment, LLC through High Plains Gaming, LLC.**

1. **Tim Drehkoff.**

Member Moore further moved **pursuant to Section 3000.235 of the Adopted Rules to approve the corresponding redemption of interests in Midwest Gaming Holdings, LLC and the issuance of interests to High Plains Gaming, LLC consistent with the financing documents previously provided to the Board.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Penn National Gaming, Inc. – Refinancing of Existing Credit Facilities

Paul Jensen appeared before the Board.

Based on a review of staff's investigation and recommendation and pursuant to Section 3000.230(d), (1), (C) of the Adopted Rules, Member Gardner moved that **the Board approve Penn National Gaming, Inc.'s request to amend and refinance the Company's current credit facility of \$2.725 billion, consisting of a \$750 million revolving credit facility; a \$325 million term loan A facility and a \$1.65 billion loan term B facility. Specifically, with a credit facility totaling \$2.15 billion consisting of a \$700 million revolving credit facility with a 5-year maturity; a \$700 million term loan A facility with a 5-year maturity; and a \$750 million term loan B facility with a 7-year maturity.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSES APPROVALS & DENIALS – LEVEL 2s & 3s

Based on staff's investigation and recommendation, Member Winkler moved that **the Board approve 273 applications for an Occupational License, Level 2, and 374 applications for an Occupational License, Level 3.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

PROPOSED COMPLAINT AND DISCIPLINARY ACTION

- Patrick Daniel Hendy – Occupational Licensee

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Patrick Daniel Hendy, an Occupational Licensee, for failing to disclose all material changes in information to the Board.**

Further, Member Moore moved that **the Board fine Patrick Daniel Hendy \$500. Said fine not to be paid directly or indirectly by the Owner Licensee and said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Beverly Jean Harding – Occupational Licensee

Based on staff's investigation and recommendation, Member Gardner moved that **the Board issue a Disciplinary Complaint against Beverly Jean Harding, an Occupational Licensee, for failing to disclose all material changes in information to the Board.**

Further, Member Gardner moved that **the Board fine Beverly Jean Harding \$250. Said fine not to be paid directly or indirectly by the Owner Licensee and said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

- Empress Casino Joliet Corporation d/b/a Hollywood Casino Joliet – Owner Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Empress Casino Joliet Corporation d/b/a Hollywood Casino Joliet, an Owner Licensee, for its continued use of revoked EPROMs.**

Further, Member Winkler moved that **the Board fine Empress Casino Joliet Corporation d/b/a Hollywood Casino Joliet \$25,000. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the Owner Licensee files an Answer within that time period.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

- Gaming Partners International USA, Inc. – Supplier Licensee

Based on staff's investigation and recommendation, Member Moore moved that the **Board issue a Disciplinary Complaint against Gaming Partners International USA, Inc., a Supplier Licensee, for failing to timely file its Annual Submission to the Board.**

Further, Member Moore moved that **the Board fine Gaming Partners International USA, Inc. \$5,000. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the Supplier Licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

At 1:35 P.M. Member Winkler motioned to adjourn and Member Gardner seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator